

31 JUL 1974

MEMORANDUM FOR: Deputy Director for Management and Services
ATTENTION : Chief, Plans Staff, DD/M&S
SUBJECT : Annual Report
REFERENCE : Multiple Adse Memo dtd 1 June 74 fr Director,
subject: Issuance of the Annual Report Call
for FY 1974

The attachment to this memorandum is for your information.
Following the guidelines prescribed by the reference, it provides
an annual performance evaluation report concerning Logistics manage-
ment objectives. As requested, copies of the report are being
submitted simultaneously to the Office of the Comptroller.

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Michael J. Malanick
Director of Logistics

Att

Distribution:

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OL/P&PS: [REDACTED] jw/3357 (25 July 74)

JCP
7/26/74

OL 4 3859

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/s/ Michael J. Malanick
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SECTION A

GENERAL

1. OPERATIONAL ENVIRONMENT

Logistics support efforts throughout the year were strongly influenced by and responsive to impacting factors internal and external to the Agency. External influences included compliance with and monitoring of environmental protection standards; adjustments in response to stringent energy conservation measures; competing for materiel and products in short supply; and coping with spiraling inflationary costs for a wide range of supplies, equipment and services essential to Agency operations. Internal influences included increased reduction of positions and presence overseas; requirements for continuing and increased levels of professional and technical overseas support; increased requirements for uninterrupted functioning of Headquarters utilities systems; state-of-the-art advancements in communications and intelligence collection systems equipment technology; the impact of the information demand explosion; and the continuing need to provide standard acceptable services and human comfort conditions for Agency employees.

2. OPERATIONAL STRATEGY

Overall Logistics strategy is to ascertain trends with significant impact and to develop countermeasures and capabilities to meet forthcoming situations as far in advance as possible. This strategy is manifested by increased liaison with "customers," supporting agencies, and the private sector to anticipate problems; increased training of personnel in multiple professional and technical disciplines to maximize quality of response; minimization of staff overhead; and measurement of output to increase efficiency.

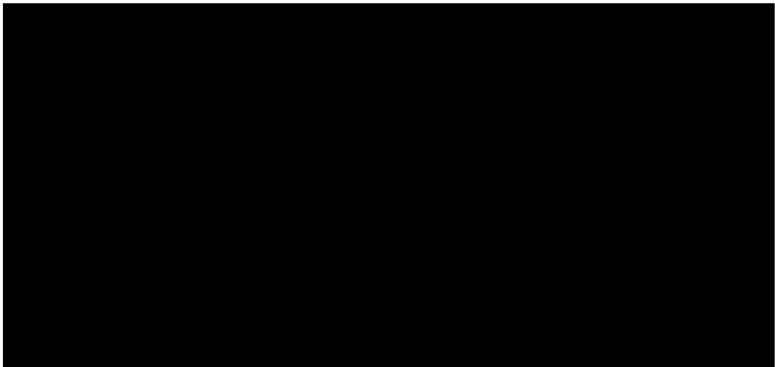
3. REORGANIZATION AND PERSONNEL REDUCTIONS

As previously foreseen, the realignment of Logistics personnel assets was a vital role of management during the year in order to accomplish our workload with a reduced number of personnel. The personnel ceiling was reduced to [REDACTED], a reduction of [REDACTED] positions. Onduty strength was reduced to [REDACTED], a net reduction of [REDACTED] during the year. Adoption of new approaches to supply management resulted in a saving of [REDACTED] positions. A saving of [REDACTED] Printing Services positions was effected as a result of eliminating the printing of the "National Intelligence Studies." A total of [REDACTED] positions was eliminated by conversion of staff service functions to contract. The remainder of the reductions were accomplished by streamlining and judicious trimming of the amount of general logistics support provided in selected areas.

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4. LOGISTICS BUDGET TRENDS

The status of funds at the close of FY 1974 as compared with FY 1973 reflects the two major trends which impact on the Logistics budget. The efforts of Logistics to reduce costs have been more than offset by economic trends occasioned by inflation, materiel shortages, and the energy crisis.

<u>Funds (In Millions)</u>	<u>FY 73</u>	<u>FY 74</u>	<u>Change</u>
Personal Services			
Transportation			
Rents and Utilities			
Contract Services			
Supplies and Equipment			
Printing (Forms)			
Engineering Support			
Space Alterations and Maintenance			
TOTAL OL			

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a. Personal Services: Although personnel strength was reduced during the year, the resultant savings of \$.8 were counterbalanced by \$.6 required to meet U. S. Government pay raises.

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b. Contract Services: Savings of \$.2 in costs for depot reimbursable employees were attained through reductions in depot strength. The effect of these savings was negated however by higher costs for other contract services such as those for office moves and machine repairs in the Headquarters area.

c. Supplies and Equipment: Spiraling costs have had a drastic effect on funds required for consumable supplies for printing services, motor pool, and depot operations. Cost increases of more than 100 percent were experienced on many items during the year. The overall effect on funds requirements amounted to a 20 percent increase.

d. Printing: The cost of printed material, attributable primarily to procurement of standard Agency forms, escalated with a resultant 30 percent increase in funds requirements.

e. Engineering Support: Increases result from two major projects, an uninterruptible power source for the computer centers and improvements in the Headquarters Building heating and air-conditioning systems.

f. Space Alterations: This change results primarily from renovation projects.

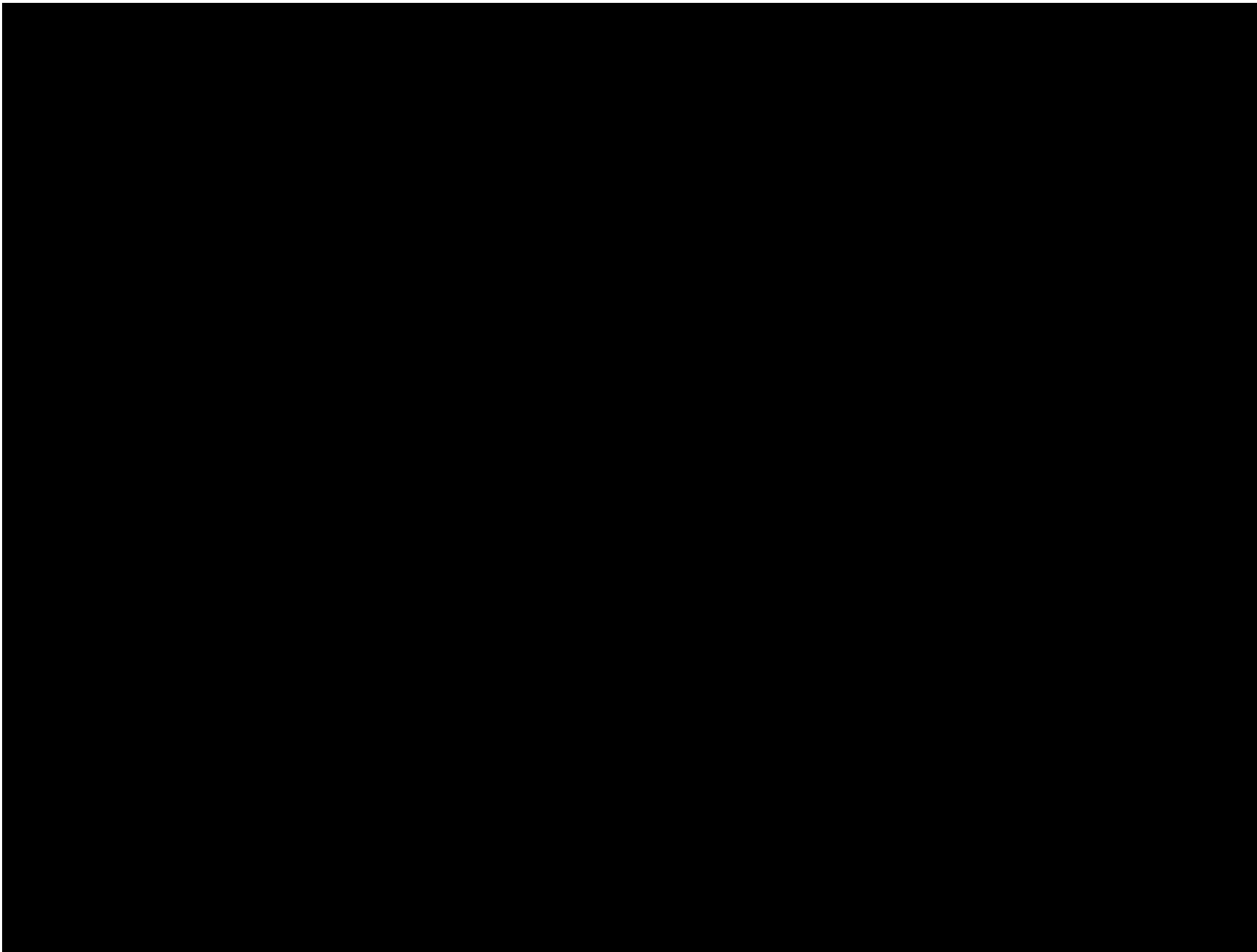
The effect of future cost escalation cannot be predicted with accuracy, but based on all apparent trends and factors, Logistics estimates total FY 75 funds requirements of \$████, or a shortfall of \$3.3 compared to our FY 75 Congressional Budget total of ██████████ 25X1A

5. AGENCY PROCUREMENT POLICY

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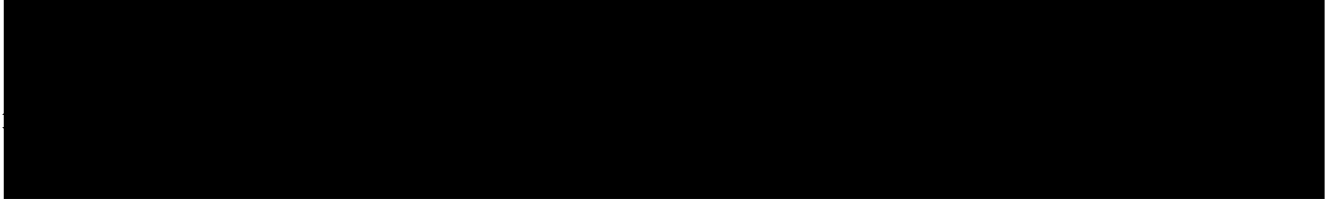
Mr. Colby directed that beginning in FY 73 Procurement Plans be used as a means of ensuring the commitment of all significant procurement requirements to Logistics prior to the end of the third quarter. There was some improvement during FY 1973, but the year-end procurement upsurge was still a problem. New formats were developed for the FY 1974 Procurement Plans and further improvements were attained; however, the stable, pre-planned approach envisioned by Mr. Colby has not been fully achieved. Management effort will continue to be devoted toward full implementation of this policy by all Directorates during FY 1975.

6. PROPERTY PROCUREMENT ALLOTMENT (PPA) TRENDS



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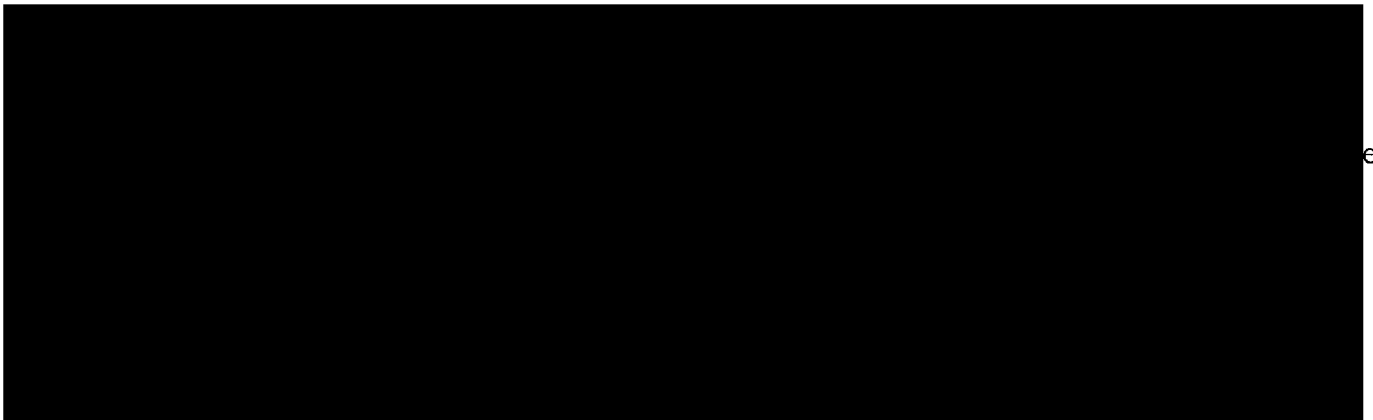
a. General Inventory: Increase results from higher prices, primarily for paper products.



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c. OTS Cognizant: FY 1974 is the first full year for implementation of the Ex. Dir.-Compt. directive for inventory budgeting of OTS cognizant and Agent Communications cognizant (OC) inventory requirements. The increase in stock procurement for OTS cognizant reflects provision of funds in the inventory budget for new items of adjustment of inventory levels to meet future year needs.

d. Communications: Effective FY 1974, OC was charged with responsibility for inventory budgeting to meet stockage requirements for Agent Communications material. It is estimated that more than half of the increase in FY 1974 is attributable to Agent Communications.



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SECTION B

PERFORMANCE AGAINST OBJECTIVES

25X1A 1. Logistics Objective 1 (Derived from DCI and DDM&S Objectives):
". . .study of types amounts, and contingency configuration of [REDACTED] in FY 1975 and at least 3 years thereafter. . . ."

Results - FY 1974: Following consultation with representatives of DDO, DDS&T, and DDM&S components concerned, a stockage objective plan, based upon all foreseen demands was prepared for final coordination and DCI approval. Milestone accomplishments are currently on schedule.

25X1A 2. Logistics Objective 2 (Derived from DCI and DDM&S Objectives):
". . .program. . .for closeout and disposition of the Logistics contingency stockpile. . [REDACTED]"

Results - FY 1974: Program developed and disposition action underway. Progress on this objective is well ahead of schedule, and expect to complete action mid-FY 1975.

25X1A 3. Logistics Objective 3 (Derived from DCI and DDM&S Objectives):
25X1A ". . .reduce the onboard personnel strength [REDACTED] from the current [REDACTED]"

Results - FY 1974: Reduction to strength of [REDACTED] accomplished 25X1A in December 1973, and this objective attained 18 months ahead of schedule.

4. Logistics Objective 4 (Derived from DCI and DDM&S Objectives):
". . .define the totality of the types and levels of all services provided to the Agency and their essentiality to the Agency's mission and operations. . .report of study. . .be submitted. . . 31 December 1973."

Results - FY 1974: All action completed on schedule.

5. Logistics Objective 5 (Derived from DCI and DDM&S Objectives):
". . .surveys of Agency contracting elements. . .and corrective action to improve. . .the procurement process. . ."

Results - FY 1974: Action completed except for implementation of a new contract numbering system. Accomplishment of that milestone has been postponed indefinitely pending further analysis of the impact of such a numbering system on the eventual interfacing of the Inventory Control System, the Contract Information System, and the General Accounting System.

6. Logistics Objective 6 (Derived from DCI and DDM&S Objectives): Evaluate the application of innovative printing processing systems, techniques, and equipment (short title).

Results - FY 1974: Action on the objective is complex and required a high degree of expertise in printing and text processing technology. It has been carried out on a team and task force basis. Milestones and targets for FY 1974 have been met, but required a considerable amount of inter-Office and inter-Directorate dialogue, much of it under the aegis of ISAS. In summary, the following was attained:

a. Word Processing Task Team established as clearing house to monitor and evaluate word processing applications and review requests for new requirements.

b. Participation in design and selection of [REDACTED] system contractor for automated [REDACTED] production. [REDACTED] STATSPEC

c. Data collection on Printing Services capabilities and requirements.

d. Evaluation of the major word processing systems and equipment in use today, formulation of design options, and cost factors.

7. Logistics Objective 7 (Derived from DCI and DDM&S Objectives): ". . . construction and design. . . Data Access Center. Provide technical services and liaison. . . properly trained operators."

Results - FY 1974: Operator training and design and construction of the Data Access Center (DAC) space have been accomplished, and the initial wiring has been installed. It was expected that the DAC might be activated in late June or early July 1974; however, the Office of Communications is experiencing delays in obtaining material (cable particularly) to connect the DAC to the Signal Center. There is also some question regarding the availability of DAC terminal equipment. Both problems are being closely monitored to ensure that the DAC operation date will not slip more than 1 month.

8. Logistics Objective 8 (Derived from DCI and DDM&S Objectives): ". . . review (and report) on (Agency) dispersion problems and inefficiencies. . . Metropolitan Washington (area)."

Results - FY 1974: The review was completed and a report submitted to the DDM&S in December 1973. The report identifies significant dispersion problems and substantial inefficiencies. At the time of the report, resource absorption directly attributable to dispersion amounted annually to more than \$7-1/2 million and 160 man-years.

9. Logistics Objective 9 (Derived from DDM&S Objective): ". . . plan. . . cost. . . of Agency assuming responsibilities for its capital plants. . . versus. . . GSA. . . ."

Results - FY 1974: The DD/M&S approved the deletion of this objective, and action was discontinued 6 November 1973.

10. Logistics Objective 10 (Derived from DDM&S Objective): "Develop. . . ways to use. . . resources data developed for MAP." Separated into the following incremental objectives during FY 1974 to facilitate action and periodic progress review:

- 10a. Cataloging Project.
- 10b. Part/Stock Number Cross Reference.
- 10c. Inventory Project.
- 10d. Requisition Project.

Results - FY 1974: The FY 1974 portion of this objective originally called for the implementation of the Cataloging, Part/Stock Number Cross Reference, and the Inventory/Requisition modules by May 1974. The Cataloging module was implemented in August 1973, and the basic Part/Stock Number Cross Reference module in November 1973. Both modules are operational. The Inventory/Requisition module had to be separated into two projects when it was discovered that problems existed which prevented the modules from being developed in tandem. The Inventory project is scheduled for implementation in July 1974. The Requisitioning module is scheduled for implementation in January 1975.

11. Logistics Objective 11 (Derived from DDM&S Objective): ". . . system whereby each (Logistics) Division's resources expended can be accounted for and allocated to the (Agency) office requesting its services."

Results - FY 1974: Systems for resource allocation reporting have been developed by the four Divisions concerned, Logistics Services, Real Estate and Construction, Printing Services, and Procurement. The Logistics Services system study was completed in December 1973. The other Division systems studies are essentially complete except for their fourth-quarter reports which are awaiting yearend figures. Their final reports will be submitted in July and August 1974. Upon completion, management decisions must be reached as to the extent to which the respective costing techniques will be adopted.

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12. Logistics Objective 12 (Derived from DCI and DDM&S Objectives):
"Conduct personnel training and counseling programs. . .for. . .those. . .physically separated from the Career Service flagpole."

Results - FY 1974: Action on this objective, now concluded, accomplished its primary aim to improve communications with those employees who have been geographically away from the flagpole for many years; some since they entered on duty. This was basically a public relations venture with the benefit of considerable upward and downward communications with employees who have been at the end of the communications link.

13. Logistics Objective 13 (Derived from DCI and DDM&S Objectives):
". . .recruitment and selection program. . .to add five professionals who have potential to fill future (Officer) Log Generalist positions."

Results - FY 1974: Three have entered on duty with two more scheduled to enter on duty within 60 days beyond our original schedule. From experience on this objective, we expect to improve our selection method and future recruitment efforts.

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14. Logistics Objective 14 (Derived from DCI and DDM&S Objectives):
"Conduct a study of general purchase [REDACTED] activities with the objective of streamlining the process. . . ." Separated into the following incremental objectives during FY 1974 to facilitate action and periodic progress reporting:

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14a. Blanket Purchase Agreement (BPA) Project.

14b. Requirements Contracts Project.

[REDACTED]

Results - FY 1974: The Blanket Purchase Agreement Project was completed 31 March 1974 and has proved most successful with 1,970 purchase actions handled under this method through June 1974. Procedures have also been established to ensure payments to BPA vendors within 30 days which is a marked improvement over past time-consuming procedures. The Requirements Contracts Project was not completed on schedule. Considerable data were collected to identify commodities suitable for Requirements Contract procurement. Additional information is required, however, before final decisions can be reached; and this requirement, coupled with a shortage of personnel and time to devote to the project, has caused considerable slippage in the target date. The Plans and Programs Staff has been given responsibility for continuing action on the project, and a revised action plan with new target dates has been submitted for approval. The [REDACTED] Project was completed 31 December 1973 and resulted in the adoption of new procedures aimed toward decreasing the reaction time in accomplishing [REDACTED].

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15. Logistics Objective 15 (Derived from DCI and DDM&S Objectives): ". . .program for the professional development and specialized training of ten engineers and technicians. . .completed by 30 June 1975."

Results - FY 1974: Individual training programs for each employee were developed, charted, and scheduled for FY 1974 and generally projected for FY 1975. Due to the intervening impact of factors such as rotation, unscheduled TDY, other priorities, and course cancellation, only 50 percent of the training planned for FY 1974 was completed. Accordingly, this training program has been revised as a longer term and broader objective to continue until 1983 and include training for all Real Estate and Construction engineers, technicians, and officers under a new Master Program.

25X1A 16. Logistics Objective 16 (Derived from DCI and DDM&S Objectives): Reinspect or terminate the security approval of 75 percent of the [REDACTED] contractor facilities authorized to possess Agency classified material (short title).

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17. Summary of FY 1974 Performance: Overall, FY 1974 is viewed by Logistics as a year of substantial and successful accomplishment toward our objectives. Experience during the year has served to emphasize at all levels the importance of team effort to successful attainment of our goals. As described in the foregoing paragraphs, it has been necessary to revise and postpone some timetables for six objectives (Nos. 5, 7, 10b, 13, 14b, and 15). Such delays are working to the Agency's advantage in each instance, however, since more time has been or will be available to provide strong foundations for the long-term future success of Logistics programs and projects based on these foundations.

SECTION C

OTHER ACTIVITIES

1. SPECIALIZED GRAPHICS ACTIVITIES

25X1A An important and valued part of Logistics is the Graphics and Visual Aids Staff which provides illustrative, design, layout, and model construction services to all Agency components. The Staff is small (eight people) but versatile, covering a gamut of activities from visual aids to art work and exhibit construction. During FY 1974, 60 percent of its output was in support of the DD/M&S, 30 percent for DD/O, 6 percent for DD/I, and 1 percent for DD/S&T. In this area of specialization the Staff deals directly with Agency customers. Its clientele ranges from the lowest to the highest echelon of the Agency and, judging from the numerous letters of commendation they receive, they well represent Logistics. Among its most notable achievements during the year are the design, construction, and showing of the Professional Heart Disease Detection exhibit for the Office of Medical Services during National Heart Week. Other exhibits of note include design and fabrication of poster advertising emphasizing the energy crunch, timely exhibit and poster campaign materials related to the paper problem, and design of an African Arts exhibit brochure for the Fine Arts Commission. During the year they designed and prepared a layout for an international insurance booklet which received wide distribution and usage, and there is a request for reproduction of this booklet by another Government agency. Another notable achievement of the Staff is their quick responsiveness to DD/O elements during times of international crises. For example, during the recent [REDACTED] quick turnaround [REDACTED] the DD/O customer stood and waited for the product. Staff members are highly skilled employees and perform numerous services throughout the Agency.

2. EEO GOALS AND AFFIRMATIVE ACTION

EEO plans and accomplishments were established and reported in detail under a separate calendar year system prescribed by the Director, EEO. The Logistics Plan for CY 1973 included an Upward Mobility Program. The success of this program is reflected in the following recapitulation of Logistics EEO advancement, GS-7 and above, during CY 1973:

<u>GS</u>	<u>Women</u>	<u>Blacks (<u>& Spanish</u>)</u>	<u>Total</u>
14 to 15	1*		1
11 to 12	1	1	2
10 to 11	1	2**	3
9 to 10	4***		4
8 to 9	4	2	6
7 to 8	<u>5</u>	<u>4</u>	<u>9</u>
	16	9	25

*Finance Careerist - advancement based on Logistics service.

**One, Spanish heritage.

***One, Personnel Careerist - advancement based on Logistics service.

Accomplishments so far during CY 1974 include the hiring of five black employees. Due to the fact that Logistics has not had any promotions at the above grade levels during the first 6 months of calendar year 1974, there have been no EEO advancements. The Logistics promotion exercise will be held in October 1974 and our CY 1974 goals may become realities at that time dependent upon recommendations of the Logistics career panels.

3. CHANGES IN FEDERAL PROCUREMENT POLICY

The Report of the Commission on Government Procurement (COGP) which was issued last year is undergoing comprehensive study by the Executive Branch to implement the 149 recommendations of the Commission for improving Government procurement. Lead agencies and task groups appointed by the Office of Management and Budget are developing official Executive Branch positions for implementing these recommendations. The Chief, Procurement Management Staff, OL, is the principal Agency liaison officer to the Procurement Policy Group in the General Services Administration, which has been charged with the implementation of the task groups' official positions within the Executive Branch agencies.

The Procurement Management Staff has undertaken the review and coordination of official Agency responses on approximately one-half of the recommendations of the COGP. Task groups composed of lead and participating agency representatives have developed Executive Branch positions for adoption in the form of revisions to existing regulations and/or a call for new legislation. The impact of the COGP is being experienced in bills presently in Congress to effect such significant steps as a uniform procurement law for all Federal agencies, raising the limit for simplified

procurement procedures from \$2,500 to \$10,000, and creating an Office of Federal Procurement Policy. The impact of the COGP recommendations and their implementation on Agency procurement and management policies should be considerable. A significant effort is required in developing official Agency responses and coordinating them with procurement and technical offices as well as Agency management. It is anticipated that this effort will continue through fiscal year 1975.

4. ACQUISITION OF AUTOMATED DATA PROCESSING EQUIPMENT (ADPE)

For a number of years informal agreements and procedural agreements existed between the General Services Administration (GSA) and the Agency whereby the Agency was exempted from reporting to GSA on ADPE acquisitions and ADPE resources, costs, and usage for the Federal ADP MIS data base. Such reports had been forwarded through a cleared channel to the Office of Management and Budget in accordance with established procedure.

This past year, at the request of GSA officials, discussions were held and a formal delegation of procurement authority was obtained from GSA with respect to the lease, purchase, and/or maintenance of ADPE for processing, communications, or intelligence operations by CIA, or any activity under its operation or technical control. The statutory authority for ADPE procurement resides in GSA on a Government-wide basis.

Because of the complexities associated with this delegation, GSA guidelines, and the applicable Federal regulations, the responsibility for all ADPE procurements was assigned to an Automatic Data Processing and Engineering Section within the Procurement Division, OL.

The delegation of authority from GSA provides for an annual meeting in April between representatives of the Agency and GSA to review past and proposed Agency ADPE procurement actions and to review Agency procurement procedures for ADPE. A review has been made by GSA for fiscal year 1974 which has indicated the Agency's procurement practices in this area conform to the GSA and Federal regulations applicable.

5. NEW GARAGE

The construction of the garage facility within the Headquarters compound was completed. Not only do we anticipate that the location of the garage closer to the center of our activities will result in a saving in operating costs, but just as importantly, it will permit greater flexibility in the utilization of personnel

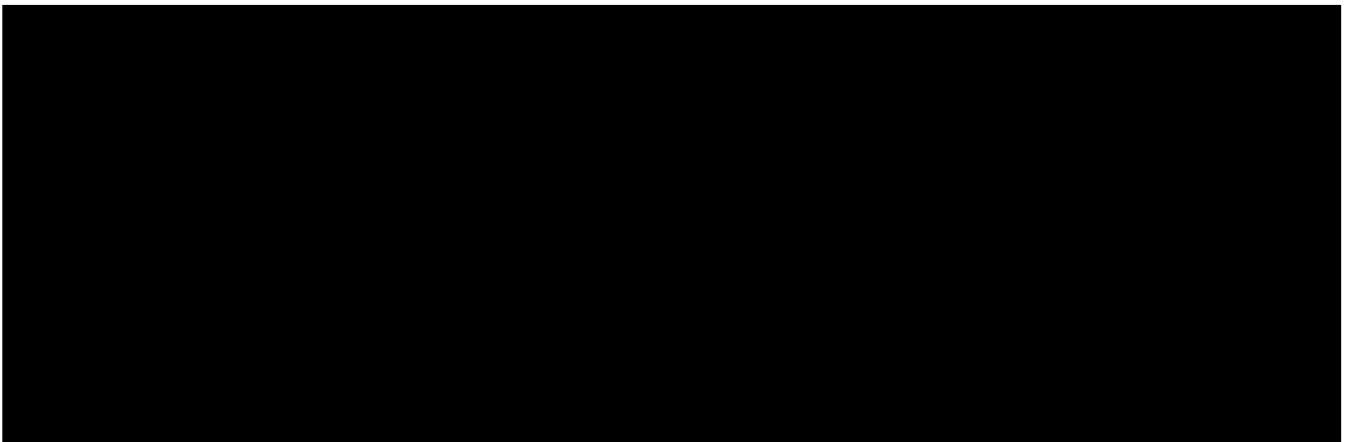
and equipment and improve responsiveness to requirements. As part of our continued assessment of this activity, efforts were also made throughout the year to reduce overtime by drivers and to eliminate coverage on weekends and other periods of low activity.

25X1A 6. CLOSURE [REDACTED] AND ESTABLISHMENT OF SPECIAL PROJECTS LIAISON UNIT (SPLU)

25X1A The Deputy Director for Management and Services approved the closure of [REDACTED] on 12 October 1973. Immediate action was taken to phase down depot operations; provide disposition instructions for materiel on hand; close out the Type I Financial Property Accounting (FPA) records; and arrange through GSA for reassignment of 36 depot employees. The Type I FPA records were closed on 31 March 1974, and a final audit was completed in early April 1974. All materiel was removed from the depot and the building returned to GSA on 30 April 1974 as scheduled.

During the period the depot was in process of being closed, action was also taken to develop operating procedures for the residual force of three individuals which would remain and become the Special Projects Liaison Unit (SPLU). Based on a management decision that SPLU would operate as a unit [REDACTED] it was 25X1C necessary to resolve a number of problems such as clearing the old depot pipeline, loss of the finance officer prior to the scheduled departure date, and loss of the communications link.

25X1C The SPLU commenced limited operation on 19 April 1974, although it did not move to its new quarters [REDACTED] until 30 April 1974. The new SPLU procedure appears to be functioning well.



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9. DIRECT DELIVERIES TO HEADQUARTERS AREA INSTALLATIONS

The concept of direct deliveries is that users will receive their materiel faster and eliminate the transshipment through Central Depot, thereby reducing the workload. This concept was initiated in February 1974. At the same time direct deliveries were initiated, offices with imprest funds were encouraged to make more use of their funds. We feel that direct deliveries will increase over the next year, and that Logistics customers will realize benefits from the new system.

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10. UNUSUAL PRINTING ACTIVITIES

A major accomplishment of the Printing Services Division in FY 74 was the printing of the "International Economic Report of the President, 1974 (Flanigan Report)," undertaken in conjunction with the Council on International Economic Policy (CIEP) and the Office of Economic Research. It involved the printing of 29,578 copies of the report, of which 12,500 were for CIEP and 17,078 copies were offered for public sale through the Government Printing Office (GPO). The report consisted of 124 pages, including 54 tabulations and 57 four-color graphics, plus cover, some of which were personalized for congressional dissemination. The Division expended 2,763 man-hours (of which 1,118 hours were overtime) in producing this report. The total PSD cost for labor and materials amounted to \$50,116, completely reimbursable from GPO and CIEP. Detailed planning and coordination between involved Agency components and CIEP resulted in significant savings. Fifteen hundred copies of the Moscow Street Guide were produced in time for the Presidential visit to the U. S. S. R. The booklet consisted of 72 pages of maps which were produced from originals provided by the Office of Basic and Geographic Intelligence, Cartography Division. In addition to the map pages, there is a 68-page index of street names and places of interest. Negotiations were in process at the end of FY 74, and are still active, for the Division to furnish reproducibles to GPO for reprinting and to be subsequently offered for public sale.

SECTION D

RECOMMENDATIONS

1. REPORTS COST GROWTH

The continuous growth in reporting costs combined with the tendency to perpetuate established reporting systems on an eternal basis is cause for increasing Logistics management concern in terms of absorption of our limited resources and the resultant effect on accomplishing our mission and objectives. A review in 1970 revealed that resources consumed by Logistics in report preparation amounted to 60,000 man-hours and \$.3 million annually, exclusive of paper and computer time costs. Reports reductions since that time have been more than offset by the establishment of new reporting systems. The average salary of personnel involved in compiling reports (normally GS employees) has increased 25 percent. Considering the spiraling cost of paper, it is conservatively estimated that overall Logistics reporting costs are now at the \$.4 million level.

With the advent of the Supply Division reorganization and the Data Access Center, the potential exists for large-scale reductions in the number and cost of internal Logistics reports. An intensive program will be underway during FY 1975 to determine which reports generated internally by Logistics can be cancelled, consolidated, reduced in frequency, or simplified. A substantial number of Logistics reporting requirements stem, however, from Agency sources outside of Logistics. It is recommended that Agency management at all levels give thorough consideration to eliminating reporting requirements levied on Logistics and cooperate in reducing our reports to the minimum essential. Such action will enable us to meet the challenges of limited manpower and funds resources in the future. Any significant delay of management action on this recommendation may soon result in creating an imbalance in our workload whereby our expenditure of resources for reporting would be out of proportion to the expenditure for performing tasks.

2. ALLOCATION OF LOGISTICS SERVICES COSTS

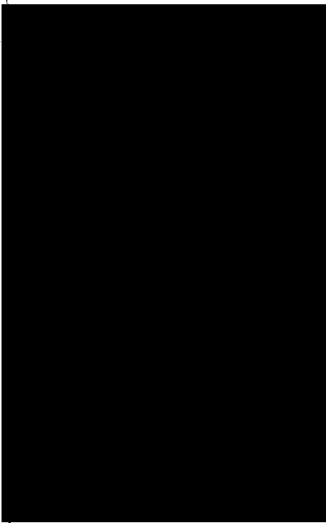
Although all studies in this area are not finalized, the results of our efforts so far clearly lead to the conclusion that the benefits to be derived from allocating costs to each component receiving services will not be equal to the effort and myriad of detail involved in the cost accounting process. Further, such a costing system will serve to sink us deeper into the reports morass, from which we are seeking to extricate Logistics. Accordingly, we recommend generally that these services be budgeted for and controlled centrally as is currently the case. The studies, nearing completion, will be finalized to formally substantiate this recommendation.

3. POTENTIAL IMPACT - RECENT LEGISLATION

Recent Federal legislation (Public Law 92-313) involves user charges for real property under the aegis of GSA, appears to limit various prerogatives, and challenges the authorities provided by legislation relative to Agency Real Estate and Construction activities. This situation is susceptible to erroneous interpretation by GSA with a resultant significant impact on the effectiveness and performance of our Real Estate and Construction functions in the future. It is considered in the Agency's best interest to continue in-depth analyses of conflicting interpretations, seek clarification and resolution of relative authorities and responsibilities, and develop a mutually acceptable working relationship plan.

Contributing Authors

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